

# Audit Report

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## **Department of Public Works – Bureaus of Utilities, Highways and Equipment Maintenance, Solid Waste Management, and Engineering and Construction**

### **Overtime Expenditures**

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Office of the County Auditor  
Baltimore County, Maryland  
August 2020



## BALTIMORE COUNTY, MARYLAND

LAUREN M. SMELKINSON, CPA  
COUNTY AUDITOR

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ELIZABETH J. IRWIN  
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August 11, 2020

Honorable Members of the County Council  
Honorable John Olszewski, Jr., County Executive  
Baltimore County, Maryland

We have audited the procedures and controls of overtime expenditures incurred by the Department of Public Works, Bureaus of Utilities, Highways and Equipment Maintenance, Solid Waste Management, and Engineering and Construction. During the period January 1, 2016 to September 30, 2017, overtime payments totaled approximately \$8.3 million.

Our audit disclosed that certain overtime policies and procedures were not documented, adequate, complied with, or applied consistently, and other overtime policies and procedures had not been established. Our audit also disclosed that certain employees' access to the computerized payroll system was not appropriate based on their job function(s), and that adequate segregation of duties was not established over payroll operations.

The Department's response to this audit is included as Appendix A to this report. You will note the Department's agreement with the audit recommendations. Specifically, the Department indicated that it has updated its overtime policies and procedures and has made them available to employees and has made/will make the other recommended changes regarding access to the computerized payroll system and segregating incompatible duties.

We wish to express our appreciation to the Department for the cooperation and assistance extended to us during our audit.

Our audit reports and responses thereto are available to the public and may be obtained online at "[www.baltimorecountymd.gov/agencies/auditor](http://www.baltimorecountymd.gov/agencies/auditor)" or by contacting the Office of the County Auditor, 400 Washington Avenue, Towson, Maryland 21204.

Respectfully submitted,

A handwritten signature in black ink that reads "Lauren M. Smelkinson". The signature is written in a cursive, flowing style.

Lauren M. Smelkinson, CPA  
County Auditor

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## Background

The Department of Public Works is responsible for planning, constructing, and maintaining the County's public infrastructure system. The Department includes the Office of the Director, and the Bureaus of Engineering and Construction, Highways and Equipment Maintenance, Solid Waste Management, Traffic Engineering and Transportation Planning, and Utilities.

Certain employees within the Department are eligible to earn overtime and may take the overtime as compensatory leave (straight time) and/or be paid (straight time, time-and-one-half, or double-time). In this regard, the County's Compensation Plan Rules and Regulations and the Fair Labor Standards Act (FLSA) form the basis for the County's overtime eligibility determination for classified and non-classified employees, respectively. We focused on overtime paid to employees in the Bureaus of Utilities, Highways and Equipment Maintenance, Solid Waste Management, and Engineering and Construction for the period from January 1, 2016 to September 30, 2017, which totaled approximately \$8.3 million for 224,000 overtime hours to 715 employees, as follows:

Bureau	Overtime Paid (\$ million)	Overtime Hours	Employees Paid Overtime
Utilities	\$4.0	110,000	277
Highways and Equipment Maintenance	\$3.1	85,000	302
Solid Waste Management	\$0.9	23,000	104
Engineering and Construction	\$0.3	6,000	32
Total	\$8.3	224,000	715

Each Bureau has established policies and procedures to manage its overtime and uses the County's computerized payroll system to record and maintain its payroll. A description of each Bureau's responsibilities follows.

### **Bureau of Utilities**

The Bureau of Utilities (managed by one Bureau Chief) provides for the safe and efficient operation, maintenance, and repair of the sanitary sewer system (e.g., pumping stations and sewage force mains) and storm drains (e.g., inlets and pipes).

### **Bureau of Highways and Equipment Maintenance**

The Bureau of Highways and Equipment Maintenance (managed by one Bureau Chief) ensures the proper operation and maintenance of the County's roadway system (e.g., snow removal, road resurfacing, pothole repair) and provides preventative maintenance and repair services for the County's heavy equipment (e.g., fire engines, ambulances, highway and utility trucks, bulldozers) and small engine equipment (e.g., lawn tractors, generators).

**Bureau of Solid Waste Management**

The Bureau of Solid Waste Management (managed by one Bureau Chief) is responsible for the collection and disposal of all residential solid waste in the County, the promotion of recycling, and the maintenance of disposal sites, including the Eastern Sanitary Landfill.

**Bureau of Engineering and Construction**

The Bureau of Engineering and Construction (managed by one Bureau Chief) provides engineering and construction administration for County infrastructure, which includes: sewer, water, and drainage facilities; flood plains; roadways; bridges; buildings and properties; waterways, parks, and recreation facilities; shorelines; storm water management facilities; and wetland mitigation.

# BUREAU OF UTILITIES

## Findings and Recommendations

- 1. Certain overtime policies and procedures were not documented, adequate, complied with, or applied consistently, and other overtime policies and procedures had not been established.**

Our audit disclosed that the Bureau has established policies and procedures to record, approve, and monitor overtime; however, these policies and procedures were not documented.

Our audit also disclosed that the Bureau's policy to approve overtime was not adequate or always complied with, as follows:

- The Bureau's policy did not require the payroll reports to be compared to the related overtime records to verify the accuracy of the overtime hours entered into the computerized payroll system. The policy also did not require the position responsible for reviewing and approving payroll reports to provide evidence (signature) of such review (finding #3).
- The Bureau's policy only required the approval of overtime hours that related to specific work orders. In this regard, our review of 48 overtime records (for the Bureau's Pipeline Maintenance Division) for 491 overtime hours totaling approximately \$18,000, disclosed 30 overtime records for 370 overtime hours totaling approximately \$14,100 that were not approved: 20 overtime records for 259 hours totaling approximately \$9,000 that were not approved because the overtime did not relate to specific work orders and 10 overtime records (related to specific work orders) for 111 overtime hours totaling approximately \$5,100 that lacked the required approval.
- Our review of 156 overtime records (for the Bureau's Pumping and Treatment Division) for 1,349 overtime hours totaling approximately \$54,256, disclosed 36 overtime records for 329 overtime hours totaling approximately \$9,400 that lacked one (of two) of the required approvals.

Additionally, our audit disclosed that the Bureau's policy to monitor overtime was not adequate because it did not require the position responsible for performing the quarterly review of actual to budgeted overtime expenditures to provide evidence (signature) of such review (finding #3). Also, the policy did not require overtime to be reviewed on an employee basis to identify and address excessive overtime. For example, a Supervisor (discussed below and in finding #3) for a Unit that operates 24 hours per day, 7 days per week, was paid for approximately 2,525 overtime hours totaling \$111,100 during the audit period.

Further, our audit disclosed that the Bureau did not comply with the County's Hours of Work policy, resulting in payments for unallowable holiday-related overtime (paid at straight time).

Specifically, the policy permits an agency to approve an Alternative Work Schedule (AWS) (e.g., four 10-hour days; Tuesday to Friday) provided that it will enhance (or at least not hinder) the effectiveness of the employee's work unit. In this regard, the policy requires certain AWS employees to take off an "in lieu of" day in the same pay week that the employee is paid for a holiday that occurred on a non-work day. The policy also requires an employee to use leave when a holiday occurs on the employee's scheduled work day to reach the scheduled hours for that day (e.g., 2 leave hours and 8 holiday hours). However, our review of 420 holiday hours totaling \$9,418 paid to 3 employees during our audit period, disclosed 111 holiday hours totaling \$2,536 where the employees did not take the "in lieu of" day, and 38 holiday hours totaling \$748 where the employees were not required to use leave and received holiday pay for the entire day (e.g., 10 hours).

Our audit also disclosed that the Bureau's Pumping and Treatment Division and Pipeline Maintenance Division were not consistent in recording overtime when an employee filled in for another employee whose work shift occurred over two calendar days (e.g., 5:00 p.m. to 3:00 a.m.), which resulted in overtime payment differences. For example, our review disclosed that the Bureau's Pumping and Treatment Division recorded all of the overtime hours to the day with the highest number of overtime hours worked (e.g., 10 overtime hours recorded to Day 6 (paid at time-and-one-half)), while the Bureau's Pipeline Maintenance Division recorded the overtime hours worked between each day (e.g., 7 overtime hours to Day 6 (paid at time-and-one-half) and 3 overtime hours to Day 7 (paid at double-time)).

Additionally, our audit disclosed that the Bureau did not establish certain overtime policies and procedures, as follows:

- A policy to prevent conflicts of interest related to the approval of overtime. For example, we identified that a Division Leader was responsible for approving overtime for the Supervisor (discussed above), who was responsible for approving overtime for 5 employees, including the Division Leader's daughter (from January 1, 2016 (start of audit period) to May 6, 2016 (daughter was transferred to another Division and responsibility to approve the Supervisor's overtime was transferred to an Assistant Division Leader)). During this approximate 4-month period, our review disclosed that the daughter was paid for approximately 369 overtime hours totaling \$10,000, and the Supervisor was paid for approximately 588 overtime hours totaling \$25,000 (finding #3).
- A procedure to identify which Division employees in the non-classified service are ineligible to earn overtime based on their exemption from the Fair Labor Standards Act. Our audit disclosed that the Division paid one ineligible non-classified service employee approximately \$1,200 for 22 overtime hours during the audit period (findings #2 and #3).

As a result, there was a lack of assurance that overtime payments were accurate and proper.

**To ensure overtime payments are accurate and proper, we recommend that the Bureau establish adequate, written overtime policies and procedures and consistently apply and comply with established policies and procedures.**

**2. Certain employees' access to the computerized payroll system was not appropriate based on their job function(s).**

Effective internal control requires assets to be protected against the risk of loss, misuse, or theft. County agencies use the computerized payroll system to record and maintain payroll. The County's Office of Information Technology grants employees access to the computerized payroll system after receipt of an agency-approved "System Access Request" form. In this regard, each agency identifies the employees' appropriate level of access (view or update) to the computerized payroll system in order to perform their assigned job function(s). Update access levels are segmented as follows:

- Single workgroup – ability to enter/modify time for a specific workgroup (e.g., Division, unit, location, shop) during the current pay period;
- Multiple workgroup – ability to enter/modify time for multiple workgroups during the current pay period; and
- Agency-wide – ability to enter/modify time for all employees within an agency (all workgroups) for the current and previous pay periods.

However, our audit disclosed that two employees had update access to the computerized payroll system, which was not appropriate based on their job functions, as follows:

- One employee with agency-wide update access did not require any access (findings #1 and #3); and
- One employee with single workgroup update access only required view access.

Our audit also disclosed that the Bureau does not periodically review granted access levels to the computerized payroll system to evaluate whether such access remains appropriate based on employees' job functions.

These conditions increase the risk that unauthorized changes to the payroll records could occur that may lead to inaccurate payroll disbursements without detection.

**We recommend that the Bureau remove the one employee's access and modify the other employee's access to view only. We also recommend that the Bureau periodically (at least annually) review granted access levels to the computerized payroll system to ensure that such access remains commensurate with employees' job functions.**



### **3. Adequate segregation of duties was not established over the Bureau's payroll operations.**

Effective internal control requires the segregation of incompatible duties to ensure that assets are protected against the risk of loss, misuse, or theft. An "incompatible" duty is one that would put a single individual in the position of being able to both commit a fraudulent act and then conceal it. Our audit disclosed that one employee who had agency-wide update access (ability to enter/modify time for all agency employees) to the computerized payroll system (finding #2), was responsible for reviewing and approving the Bureau's payroll reports and for comparing the Bureau's actual to budgeted overtime expenditures on a quarterly basis, and was paid approximately \$1,200 for 22 overtime hours during the audit period despite being ineligible to earn overtime (finding #1).

Our audit also disclosed that four Bureau employees (including the Division Leader's daughter from January 1, 2016 to May 6, 2016 (daughter was transferred to another Division and responsibility to approve the Supervisor's overtime was transferred to an Assistant Division Leader)), and the Supervisor from May 7, 2016 to September 30, 2017, from finding #1), who were responsible for entering overtime into the computerized payroll system, were paid approximately \$105,800 for 2,783 overtime hours (\$86,100 for 1,937 hours (Supervisor); \$10,000 for 369 hours (Division Leader's daughter); \$5,700 for 316 hours; and \$4,000 for 161 hours). Further, as previously noted (finding #1), the Bureau's policy does not require the payroll reports to be compared to the related overtime records to verify the accuracy of the overtime hours entered into the computerized payroll system.<sup>1</sup>

These conditions preclude effective internal control because overtime hours could be overstated without detection.

**In addition to the previous recommendation to remove the one employee's granted access from the computerized payroll system, we also recommend that the Bureau segregate incompatible duties so that an employee who is eligible to work overtime is not responsible for reviewing and approving the Bureau's payroll reports and for comparing the Bureau's actual to budgeted overtime expenditures. Additionally, we recommend that the Bureau segregate incompatible duties so that an employee who is eligible to work overtime is not responsible for entering his or her own overtime hours into the computerized payroll system unless these hours are properly verified for accuracy to the related overtime records by an employee independent<sup>2</sup> of the payroll process.**

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<sup>1</sup> Our review of 122 overtime records for 947 overtime hours totaling approximately \$35,600 for these four employees, disclosed that the approved overtime records matched the overtime hours entered into the computerized payroll system.

<sup>2</sup> In this regard, the employee should be free from any conflicts of interest, such as those mentioned in finding #1.

# **BUREAU OF HIGHWAYS AND EQUIPMENT MAINTENANCE**

## **Findings and Recommendations**

### **1. Certain overtime policies and procedures were not documented, complied with, or adequate.**

Our audit disclosed that the Bureau has established policies and procedures to monitor overtime; however, these policies and procedures were not documented. Our audit also disclosed that the Bureau's policy to authorize overtime was not adequate because it did not assign responsibility for authorizing an employee to work overtime.

Additionally, our audit disclosed that the Bureau's policy to approve overtime was not adequate or always complied with, as follows:

- The Bureau's policy did not require the payroll reports to be compared to the related overtime records to verify the accuracy of the overtime hours entered into the computerized payroll system.
- Our review of 40 overtime records (for the Bureau's Highways Maintenance Division) for 510 hours totaling approximately \$27,000, disclosed 388 hours totaling approximately \$20,570 that lacked the required approval (signature).

As a result, there was a lack of assurance that overtime payments were accurate and proper.

**To ensure overtime payments are accurate and proper, we recommend that the Bureau establish adequate, written overtime policies and procedures and comply with its established policies and procedures.**

### **2. Certain employees' access to the computerized payroll system was not appropriate based on their job function(s).**

Effective internal control requires assets to be protected against the risk of loss, misuse, or theft. County agencies use the computerized payroll system to record and maintain payroll. The County's Office of Information Technology grants employees access to the computerized payroll system after receipt of an agency-approved "System Access Request" form. In this regard, each agency identifies the employees' appropriate level of access (view or update) to the computerized payroll system in order to perform their assigned job function(s). Update access levels are segmented as follows:

- Single workgroup – ability to enter/modify time for a specific workgroup (e.g., Division, unit, location, shop) during the current pay period;

- Multiple workgroup – ability to enter/modify time for multiple workgroups during the current pay period; and
- Agency-wide – ability to enter/modify time for all employees within an agency (all workgroups) for the current and previous pay periods.

However, our audit disclosed that two employees had agency-wide update access to the computerized payroll system that only required multiple workgroup update access based on their job functions.

Our audit also disclosed that the Bureau does not periodically review granted access levels to the computerized payroll system to evaluate whether such access remains appropriate based on employees' job functions.

These conditions increase the risk that unauthorized changes to the payroll records could occur that may lead to inaccurate payroll disbursements without timely detection.

**We recommend that the Bureau modify the two employees' access to multiple workgroup update access. We also recommend that the Bureau periodically (at least annually) review granted access levels to the computerized payroll system to ensure that such access remains commensurate with employees' job functions.**

### **3. Adequate segregation of duties was not established over the Bureau's payroll operations.**

Effective internal control requires the segregation of incompatible duties to ensure that assets are protected against the risk of loss, misuse, or theft. An "incompatible" duty is one that would put a single individual in the position of being able to both commit a fraudulent act and then conceal it.

Our audit disclosed that two Bureau employees, who were responsible for entering overtime into the computerized payroll system, were paid approximately \$9,300 for 255 overtime hours (\$5,100 for 122 hours and \$4,200 for 133 hours). Further, as previously noted (finding #1), the Bureau's policy does not require the payroll reports to be compared to the related overtime records to verify the accuracy of the overtime hours entered into the computerized payroll system.<sup>3</sup>

These conditions preclude effective internal control because overtime hours could be overstated without detection.

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<sup>3</sup> Our review of 7 overtime records for 165 overtime hours totaling approximately \$4,200 for these two employees, disclosed that the approved overtime records matched the overtime hours entered into the computerized payroll system.

**We recommend that the Bureau segregate incompatible duties. Specifically, an employee that is eligible to work overtime should not be responsible for entering his or her own overtime hours into the computerized payroll system unless these hours are properly verified for accuracy to the related overtime records by an employee independent of the payroll process.**

## **BUREAU OF SOLID WASTE MANAGEMENT**

### **Findings and Recommendations**

**1. Certain overtime policies and procedures were not documented or adequate.**

Our audit disclosed that the Bureau has established policies and procedures to record, approve, and monitor overtime; however, these policies and procedures were not documented. Our audit also disclosed that the policy to approve overtime was not adequate because it did not require evidence of approval (signature) for overtime hours worked by one managerial employee in the classified service; the employee was paid approximately \$54,400 for 890 overtime hours.

As a result, there was a lack of assurance that overtime payments were accurate and proper.

**To ensure overtime payments are accurate and proper, we recommend that the Bureau establish adequate, written overtime policies and procedures.**

## **BUREAU OF ENGINEERING AND CONSTRUCTION**

### **Findings and Recommendations**

**1. Certain overtime policies and procedures were not documented, complied with, or adequate.**

Our audit disclosed that the Bureau has established policies and procedures to authorize, record, approve, and monitor overtime; however, these policies and procedures were not documented. Our audit also disclosed that the Bureau's policy to approve overtime was not adequate or always complied with, as follows:

- The Bureau's policy did not require the payroll reports to be compared to the related overtime records to verify the accuracy of the overtime hours entered into the computerized payroll system.
- Our review of 6 overtime records for 96 hours totaling approximately \$5,500 for one employee, disclosed 4 overtime records for 82 hours totaling approximately \$4,700 that lacked the required approval (signature).

Our review further disclosed that from January 1, 2016 to July 1, 2017, the Bureau did not comply with its policy to compare actual to budgeted overtime expenditures (after each two-week pay period).

As a result, there was a lack of assurance that overtime payments were accurate and proper.

**To ensure overtime payments are accurate and proper, we recommend that the Bureau establish adequate, written overtime policies and procedures and comply with its established policies and procedures.**

## **Audit Scope, Objectives, and Methodology**

We have audited the procedures and controls of overtime expenditures incurred by certain Bureaus within the Department of Public Works for the period January 1, 2016 to September 30, 2017. The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In accordance with the Baltimore County Charter, Section 311, the objectives of our audit were to evaluate the adequacy of internal control practices and procedures for overtime expenditures and to determine compliance with applicable policies and procedures and rules and regulations. In planning and conducting our audit, we focused on overtime paid to employees in certain Bureaus within the Department based on assessments of significance and risk.

Our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and tests of transactions. We also performed other auditing procedures that we considered necessary to achieve our objectives. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk. Unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, the results of the tests cannot be used to project those results to the entire population from which the test items were selected. Data provided in this report for background purposes were deemed reasonable but were not independently verified.

Management is responsible for establishing and maintaining effective internal control over its overtime expenditures and for compliance with any applicable policies and procedures and rules and regulations. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets, and compliance with applicable laws, rules, regulations, policies, and procedures are achieved.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports on fiscal compliance are designed to assist the Baltimore County Council in exercising its legislative oversight function and to provide constructive recommendations for improving County operations. As a result, our reports generally do not address activities we reviewed that may be functioning properly.

This report includes findings and recommendations relating to conditions that we consider to be significant deficiencies in the design or operation of internal control and administrative and operating practices and procedures that could adversely affect the County's ability to maintain reliable financial records, operate effectively and efficiently, and/or comply with applicable laws, rules, regulations, policies, and procedures. Other less significant findings that did not warrant inclusion in this report and other matters that came to our attention were communicated to the Department.

## **APPENDIX A**

**Department of Public Works**

**Response**





JOHN A. OLSZEWSKI, JR.  
*County Executive*

THOMAS KIEFER, PE *Acting Director*  
*Department of Public Works*

August 11, 2020

Lauren M. Smelkinson, CPA  
Office of the County Auditor  
Baltimore County, Maryland  
Courthouse, Room 221  
Towson, Maryland 21204

Dear Ms. Smelkinson:

We are providing this letter in connection with your audit of overtime expenditures incurred by certain Bureaus within the Department of Public Works for the period January 1, 2016 to September 30, 2017 for the purpose of determining the adequacy of internal control practices and procedures and compliance with applicable rules, regulations, policies, and procedures. Enclosed please find the Department's responses.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Kiefer", is written over a circular blue stamp. The stamp is partially visible and contains the text "Thomas Kiefer, Acting Director" and "Department of Public Works".

Thomas Kiefer, Acting Director  
Department of Public Works

TK/amr

## **BUREAU OF UTILITIES**

### **Findings and Recommendations**

1. **Audit Finding**

Certain overtime policies and procedures were not documented, adequate, complied with, or applied consistently, and other overtime policies and procedures had not been established.

**Audit Recommendation**

To ensure overtime payments are accurate and proper, we recommend that the Bureau establish adequate, written overtime policies and procedures and consistently apply and comply with established policies and procedures.

**Response to Audit Recommendation**

The Bureau agrees with the audit recommendation. The Bureau has updated its written overtime and standby policy and has uploaded it to BCNet for all employees to view. The Bureau has now implemented a procedure of monitoring overtime on an employee-by-employee basis.

2. **Audit Finding**

Certain employees' access to the computerized payroll system was not appropriate based on their job function(s).

**Audit Recommendation**

We recommend that the Bureau remove the one employee's access and modify the other employee's access to view only. We also recommend that the Bureau periodically (at least annually) review granted access levels to the computerized payroll system to ensure that such access remains commensurate with employees' job functions.

**Response to Audit Recommendation**

The Bureau agrees with the audit recommendation. The Bureau has made a selection to fill an open position at the Bureau payroll administration level. When the selected candidate is hired and trained, the appropriate changes in the OLTA system for access and editing capabilities to specific employees will be made. The Bureau has also instituted an annual certification of access levels in the OLTA system, similar to the existing certification of roles in the Advantage Financial and HRM systems.

3. **Audit Finding**

Adequate segregation of duties was not established over the Bureau's payroll operations.

**Audit Recommendation**

In addition to the previous recommendation to remove the one employee's granted access from the computerized payroll system, we also recommend that the Bureau segregate incompatible duties so that an employee who is eligible to work overtime, is not responsible for reviewing and approving the Bureau's payroll reports and for comparing the Bureau's actual to budgeted overtime expenditures. Additionally, we recommend that the Bureau segregate incompatible duties so that an employee who is eligible to work overtime, is not responsible for entering his or her own overtime hours into the computerized payroll system unless these hours are properly verified for accuracy to the related overtime records by an employee independent of the payroll process.

**Response to Audit Recommendation**

The Bureau agrees with the audit recommendation. The Bureau will separate duties within the payroll system. Duties have been established so that employees with permission to enter overtime cannot approve their own overtime. A Management Analyst (who is not eligible for overtime) will be reviewing actual to budgeted overtime expenditures, rather than those approving and entering overtime.

## **BUREAU OF HIGHWAYS AND EQUIPMENT MAINTENANCE**

### **Findings and Recommendations**

1. **Audit Finding**

Certain overtime policies and procedures were not documented, complied with, or adequate.

**Audit Recommendation**

To ensure overtime payments are accurate and proper, we recommend that the Bureau establish adequate, written overtime policies and procedures and comply with its established policies and procedures

**Response to Audit Recommendation**

The Bureau agrees with the audit recommendation. The Bureau has updated its written overtime policy and has uploaded it to BCNet for all employees to view.

2. **Audit Finding**

Certain employees' access to the computerized payroll system was not appropriate based on their job function(s).

**Audit Recommendation**

We recommend that the Bureau modify the two employees' access to multiple workgroup update access. We also recommend that the Bureau periodically (at least annually) review granted access levels to the computerized payroll system to ensure that such access remains commensurate with employees' job functions.

**Response to Audit Recommendation**

The Bureau agrees with the audit recommendation. The Bureau has made the appropriate changes in the OLTA system for access and editing capabilities to specific employees. The Bureau has also instituted an annual certification of access levels in the OLTA system, similar to the existing certification of roles in the Advantage Financial and HRM systems.

3. **Audit Finding**

Adequate segregation of duties was not established over the Bureau's payroll operations.

**Audit Recommendation**

We recommend that the Bureau segregate incompatible duties. Specifically, an employee that is eligible to work overtime should not be responsible for entering his or her own overtime hours into the computerized payroll system unless these hours are properly verified for accuracy to the related overtime records by an employee independent of the payroll process.

**Response to Audit Recommendation**

The Bureau agrees with the audit recommendation. The Bureau will separate duties within the payroll system. Alternate supervision and clerical duties have been established to authorize overtime, approve overtime, and enter overtime. Our Management Analyst (who is not eligible for overtime) will be reviewing actual to budgeted overtime expenditures rather than those approving and entering overtime.

## **BUREAU OF SOLID WASTE MANAGEMENT**

### **Findings and Recommendations**

1. **Audit Finding**

Certain overtime policies and procedures were not documented or adequate.

**Audit Recommendation**

To ensure overtime payments are accurate and proper, we recommend that the Bureau establish adequate, written overtime policies and procedures.

**Response to Audit Recommendation**

The Bureau agrees with the audit recommendation. The Bureau has updated its written leave and overtime policy and has uploaded it to BCNet for all employees to view.

## **BUREAU OF ENGINEERING AND CONSTRUCTION**

### **Findings and Recommendations**

1. **Audit Finding**

Certain overtime policies and procedures were not documented, complied with, or adequate.

**Audit Recommendation**

To ensure overtime payments are accurate and proper, we recommend that the Bureau establish adequate, written overtime policies and procedures and comply with its established policies and procedures.

**Response to Audit Recommendation**

The Bureau agrees with the audit recommendation. The Bureau has updated its written overtime policy and has uploaded it to BCNet for all employees to view.

**AUDIT TEAM**

**Scott W. Mitchell, CPA, CISA, CIA, CFE**  
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